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20 April 1956

MEMORANDUM FOR THE RECORD

SUBJECT: Questions Discussed at the Hearings of the House
 Committee on Appropriations Held on Tuesday,
 17 April 1956, from 10:00 a.m. to 12:15 p.m.

The following members of the Committee were present:

Mr. Clarence Cannon (D) Missouri
 Mr. George H. Mahon (D) Texas
 Mr. Harry R. Sheppard (D) California
 Mr. John Taber (R) New York
 Mr. Richard B. Wigglesworth (R) Massachusetts

Mr. Corhal D. Orescan, Clerk

The following representatives of CIA were present:

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Mr. Allen W. Dulles, DCI
 Gen. Charles P. Cabell, DDCI
 Col. L. K. White, DD/S
 Mr. Robert Amory, Jr., DD/I
 Mr. [] ADD/P
 Mr. E. R. Saunders, Comptroller
 Mr. Norman S. Paul, Legislative Counsel
 Mr. [] Chief, Budget Division

The hearings opened with a general observation by the Chairman that it was a continuation of the hearing of 27 February 1956, and a brief discussion on the defeat of the proposed Mansfield resolution for the establishment of a Congressional Watchdog Committee.

Mr. Cannon:

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 (The observation was made that the carry-over of FY 1956 was estimated at [] How does this carry-over compare with the carry-over of prior years in the reserve? In other words, is the reserve low because of the carry-over provision?

Give us a general statement as to the fiscal outlook for FY 1957. How much is included in the budget for the cost of Departmental Activities, U.S. Field Activities, and Overseas Activities? Is there any change in the ratio between these three areas?

What percent of your funds are being budgeted for personal services? How many employees do you have and how many are you planning for next year? (The DGI explained the basis of our personnel figures included in the budget and indicated that foreign nationals and personnel of proprietaries were not included in the estimates of personnel reflected in the budget.) Are these proprietaries then, in effect, fronts supported by the U.S.?

Are there any fronts supported by foreign governments operating in the U.S.? (The general subject of fronts was discussed; responsibilities of the FBI for internal security was also mentioned in relation to front organizations.)

What part of this total staff are American citizens and what part is made up of foreign nationals?

Do you feel that you will need all of these funds which you have requested?

Are your activities limited to collecting and producing intelligence? (A discussion of the overall budgetary programs of the Agency followed, with special emphasis on the difference between intelligence and cold war operations.)

Are your psychological activities handled wholly through these front organizations which were mentioned earlier?

Does your budget include a request for an increase for these psychological activities?

(The observation was made by the Chairman that the newspapers had charged that the U.S. Government was concentrating almost exclusively on European and Asiatic countries and were not giving appropriate attention to the problems involved in Latin and South American countries; further, that this country was not obtaining the right results in South and Latin America for these reasons.) What are your views on these charges? Are you giving adequate emphasis to these areas to assure adequate information concerning them?

Do you support in all cases the existing government in a country or do you sometimes support revolutionaries?

Did you support the overthrow of one Latin American country?

What is the general attitude of peoples in Latin and South America concerning the U.S.? Has there been an improvement in the attitude toward the U.S. or has it deteriorated recently? (The opinion was expressed that for some years [] has been one of our trouble spots in South America.) What are your views concerning the [] situation?

(During the course of and following the above series of questions involving South and Latin America, the responsibility of the Agency in relationship to existing governments was discussed rather fully. The thought was developed that this Agency was only concerned with opposing a government if it were definitely a Communist government. The responsibilities of the Agency of keeping informed on the developments in non-Communist governments was outlined.)

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Are most of the additional funds you are requesting for FY 1957 going to be used in the U.S. or will some of them be used overseas?

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Do you think that the amount requested of [] is adequate for all of your needs? (The response to this question led into a discussion on the need of reserve and the size of a reserve. The DCI indicated that ultimately he hoped that the reserve could be increased to [] Do you consider a [] reserve inadequate for your needs?

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Isn't your current request the largest one that you have ever made? How does your current reserve compare with the reserves you have had in prior years?

If you move into the new building, will your expenses increase? Does that mean that your expenses may decrease during the Fiscal Year 1957? (There followed a short discussion concerning the possible timing of the construction of the building and the probable date of occupancy.)

Mr. Mahon:

On Page 7 of the book (referring to the small book of material furnished the Committee) an item appears under "Paramilitary". What kinds of things do you do under this particular activity? (The Director referred to Page 11 in the book and outlined the activities under Training, Logistics and Planning, and Stay-behind operations.)

What is this item of "Other" under "Paramilitary"?

Again referring to Page 7 of the book, what kinds of things are done under this heading of "Political and Psychological"? (The Director referred to Page 10 and discussed the activities under the heading of "Radio".) These radio activities are not secret, are they? Who heads up the radio operations? (The Director discussed a group of individual operations and discussed the character of control exercised.) Are you reaching very many people through these radio operations? Do you pay high salaries to people working in these organizations carrying out the radio activities?

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25X1A1a You are asking for [] political activities. For what purposes will you use these funds?

In our earlier hearings it was stated that the USSR was overtaking this country in steel production. When will the USSR steel production equal that of this country?

What is carried out under the heading "Other" in your "Political and Psychological Activities"? (After discussing a number of other operations, the operation of Project [] was described.) Why do you feel control of an operation such as this [] is of value to this country? Do you think that the use of your funds is justified on such an operation? (A discussion developed on the publication of low-cost books, particularly in the FE area. Activities of the USSR in this field were compared with the magnitude of the USIA effort in the field. Messrs. Wigglesworth and Taber discussed the USIA responsibilities in this area and requested an explanation of the relationship of CIA and USIA in this general field.)

(Mr. Mahon observed that the cold war operation was a big program and that the Committee must depend on the DCI to carry it out efficiently and effectively.) Do you think your Agency is becoming more efficient and more effective? (The DCI discussed the Kilian Committee. He stated that two members of this Committee who had previously been associated with the Agency had expressed the opinion, after being briefed on the operations, that it appeared the Agency was more effective than when they were associated with it.)

(There is considerable sentiment among members of the House that Congress lacks adequate control over CIA and that the Agency expenditures could not stand a critical examination.) What are your views on this? (The Director invited any member of the Committee designated by the Chairman who could make time available to come down to the Agency and examine our operations in any detail that they desired. He further suggested that possibly a member or two could make some time available early in the next session, possibly in January, at which time possibly a complete review of Agency operations could be made. He also suggested, subject to Presidential clearance, that the Committee might meet with the Kilian Committee to obtain their views on the operations of CIA. The DCI also extended an invitation to all members of the Committee to make a one-day trip to Project [] to review the type of training which is given in connection with our overseas operations. Mr. [] added that we would be glad to have the Committee review the procedures by which our operations were planned, approved, reviewed, evaluated, and accounted for. He expressed the opinion that the Committee might be extremely interested in observing the careful evaluation process that the Agency followed.)

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Mr. Sheppard:

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(Mr. Sheppard indicated that the finance situation had been covered to his satisfaction.)

What do the recent changes in policy and attitude of the Soviet Union indicate, in view of the fact that increased legal travel is permitted and many other restrictions are being permitted? (The DCI offered to send copies of his talk before the Los Angeles World Affairs Council which he gave on 13 April 1956. Mr. Mahon stated that it would be nice if a copy of this talk was sent to all members of the Committee.)

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What are your views concerning the softening of England's attitude towards the USSR?

What are your views on the so-called expansion of the internal trade between the West and the Iron Curtain countries? (The DCI outlined his responsibilities as an advisory one in the collection and evaluation of intelligence as opposed to those of policy determination.) What are your views on this subject? I realize how sensitive this is, but your position as head of CIA is such that you would know what is happening. (A discussion then developed which was directed more toward the various problems of totalitarianism and education, particularly in the field of science.)

What is your evaluation of the reliability of France in the case of an attack on France? It is generally agreed that the French Government is unstable. What is the evaluation of the reliability of the French population? Would they support the Free World in case of invasion?

What is your evaluation of the reliability of Italy? Of Greece? Of Turkey?

What is your evaluation of the reliability of England? Would the various problems involving the English economy materially effect the British Government in case of war?

What is your evaluation of the possibility of working out a satisfactory solution of the Egyptian-Israeli problem? If an explosive war develops in the Middle East around the Egyptian-Israeli problem, do you think that the Soviet Union would intervene directly in such a war?

Mr. Taber:

(Mr. Taber mentioned an article in U.S. News and World Reports of Mr. Khokhlov and outlined some of the points made in this article.) Do you believe there is a possibility of a revolution in the USSR as was suggested by Mr. Khokhlov? (He also reported a great shortage of food and a general dissatisfaction among the peasants; he further indicated that the experiment of bringing 80 million acres of land into cultivation east of the Caspian had already proven unsuccessful.) What are your views and latest information on these points?

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What finally happened to who redefected recently?

Mr. Wigglesworth:

Why is OI, Personal Service Costs, increasing?

Why did the number of positions in 1957 decrease below those reflected for the Fiscal Year 1956?

How many people do you have in the District of Columbia?

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Why do you have so many employees in the Washington area?

Why is your O7, Other Contractual Services, increased in FY 1957 over FY 1956?

What kinds of things are you doing in External Research?

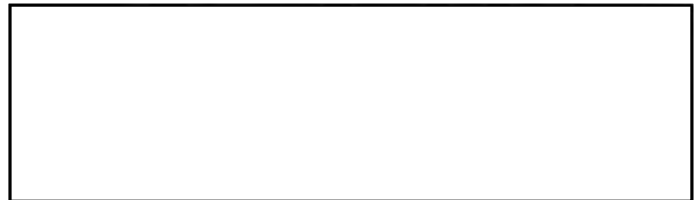
Mr. Mahon:

(After discussing the developments in covert collection of intelligence by clandestine and electronic means, with particular reference to the description of the unit found in the great seal of the U.S. in the U.S. Embassy in Moscow.) Are the Soviets collecting information in this manner here in the District of Columbia?

(After commenting on the work-load and the demands of Congressmen's time.) We may try to work out something to get a better idea and to see some of your activities.

At the close of the hearings, the Director raised the question of the new building and indicated that we would like to bring them up-to-date on the developments in connection with the building. Mr. Mahon, after asking whether an estimate had been submitted, indicated that they would defer discussion of the building until a later time. The Director then stated that we might want to meet with them later in the session, possibly in the latter part of May.

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